

MINUTES OF THE  
UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL  
BOARD OF DIRECTORS MEETING HELD ON  
WEDNESDAY, JULY 29, 1992

Commissioner Scott Hirschi, Vice-President of the Utah Association of Counties Insurance Mutual, called the meeting to order in the absence of Commissioner Tom Hatch, who had been delayed.

The following individuals were present: Commissioner Leonard M. Blackham, Sanpete County; Commissioner Kenneth R. Brown, Rich County; Guy Burningham, Utah County Attorney's Office; Dennis D. Ewing, Tooele County Clerk; Sheriff Sidney P. Groll, Cache County Sheriff; Commissioner Tom Hatch, Garfield County; Commissioner Gary R. Herbert, Utah County; Jerry Hess, Davis County Deputy County Attorney; Commissioner Scott Hirschi, Washington County; Commissioner Dixie Thompson, Emery County; L. Brent Gardner, Executive Director of the Utah Association of Counties; Harry P. Bowes, consultant to the Utah Association of Counties Insurance Mutual; Jess A. Hurtado of Rollins Burdick Hunter of Utah, Inc.; and Douglas Alexander of Rollins Technical Services.

MINUTES

The Minutes of the June 18, 1992, Meeting were amended on Pages 1, 2 and 4 after which a Motion was made, seconded and unanimously carried to approve the Minutes as amended.

UACIM LITIGATION MANAGEMENT COMMITTEE REPORT

Mr. Guy Burningham, Chairman of the UACIM Litigation Management Committee, was introduced and those in attendance were reminded that the Board of Directors had requested that Mr. Burningham start attending the Board of Directors Meetings.

Mr. Burningham reported that the Litigation Management Committee has expressed a need for further explanation and clarification of coverage provided by the Mutual including: Nurse practioners, hospitals, special districts, associations of governments, interlocal agreements, intentional acts, pollution, etc. Jess A. Hurtado responded that this information had been given to the counties several times, but UAC may want to incorporate a session on this during one of its meetings.

The Litigation Management Committee has no recommendation to the Board at this time regarding the Uintah County case. Once an evaluation by outside counsel has been received, the Committee may have a recommendation at a later date.

Mr. Burningham recommended to the Board that the next Board of Directors Meeting be moved from Thursday, August 20, to Wednesday, August 26, 1992. The Board agreed to the change of dates and the next meeting of the Utah Association of Counties Insurance Mutual Board of Directors will be held in Castle Dale at the Emery County Courthouse at 12:00 Noon on Wednesday, August 26, 1992. Commissioner



Dixie Thompson reminded everyone that "lunch will be served."

#### COVERAGE FOR COUNTY SPECIAL DISTRICTS

Mr. Hurtado raised a question concerning coverage for county special districts. He recommended that the Board make a decision as soon as possible. Commissioner Hirschi made a Motion that was seconded by Mr. Jerry Hess that all special districts be excluded from the Mutual. The Motion failed to pass on a vote of four to three. Commissioner Kenneth R. Brown then made a Motion that all special districts be covered where the commissioners serve as the governing body. This Motion was seconded by Jerry Hess and the Motion was passed with one dissenting vote.

Mr. L. Brent Gardner inquired as to what the effective date would be of the policy just adopted by the Board regarding "special districts." Commissioner Hirschi made a Motion to make the policy retroactive to January 1, 1992. The Motion was not seconded. Commissioner Brown made a Motion to make the policy on special districts effective as of December 31, 1992. The Motion was seconded and carried with two dissenting votes.

*by Leonard Blackham*

Commissioner Thompson then raised the issue of a fire district in Emery County which was included at the start of the program, which has since been separated and is separate at the present time. Is the Board of Directors in a position to refund a portion of the premium paid by Emery County? Mr. Hurtado responded that it could be done if the Board so directs. However, additional premiums are not charged when new vehicles are purchased, etc. The Board decided that the best way to handle the refund to Emery County ~~would~~ be to give a credit against its 1993 premium.

*may*

#### PRESENTATION OF THE CLAIMS REPORT

Mr. Douglas Alexander was then asked to present the Claims Report for this month. Mr. Alexander reported on the "McDonald Case" in Uintah County. We are waiting for a response from Mr. McDonald to the offer made by the Utah Association of Counties Insurance Mutual and also for an evaluation by outside counsel. Mr. Alexander also reviewed the Iron County case stating that the plaintiff's attorney may not name Iron County as a defendant.

#### PRESENTATION OF THE LOSS PREVENTION REPORT

Mr. Gardner presented the Loss Prevention Report in Mr. David L. Nelson's absence. Mr. Nelson couldn't be in two places at once today and had asked to be excused. Mr. Nelson has completed initial visits to counties and is preparing to commence more in depth risk reviews. Commissioner Hirschi requested that the dates and results be documented of those reviews and that copies of those be given to the Board of Directors. Sheriff Sidney P. Groll suggested that those reviews be cumulated in a report to be furnished to Mutual members at the end of the year.

#### PRESENTATION OF THE FINANCIAL REPORT



The Financial Report was reviewed by Mr. Gardner. Commissioner Leonard M. Blackham raised several questions about the figures reported, particularly under the category termed "Cash - Budgeted." In a related matter, Mr. Gardner requested the Board's confirmation that interest earnings on the surplus contributions by Emery, Garfield, Davis, San Juan and Washington Counties be accumulated. Presently, the State Treasurer is crediting the interest to the UACIM Operating Account. The Treasurer's Office will need a letter to change that practice.

#### STATUS OF BROKERAGE AGREEMENT

Mr. Gardner gave a brief report regarding the status of the Brokerage Agreement. Mr. Harry P. Bowes and Mr. Hurtado have identified three issues that are, as yet, unresolved. Mr. Gardner reported that he has sent a letter to Rollins Burdick Hunter counsel seeking their agreement to those points. No response to that letter has been received. Mr. Gardner also reported that Mr. Jay Odice has called and tried to reassure the Board that he felt that Rollins Burdick Hunter was committed to completing the Agreement.

#### WESTERN STATES ASSOCIATION OF COUNTY INSURANCE ENTITIES

Concerning the concept of a Western States Association of County Insurance entities, Mr. Gardner reported that other state association directors were receptive, but only to the extent of attending a meeting. Mr. Gardner did not feel this was the intent of the Board. He suggested that a description of the new entity or organization be prepared outlining specific members, meetings, costs, etc. The Board directed Mr. Gardner to prepare the organizational outline for review.

#### WORKMAN'S COMPENSATION COVERAGE

Mr. Hurtado reported to the Board that Rollins Burdick Hunter has been contacted by several counties seeking quotes for coverage outside the Mutual for medical and airports. He will respond, but wanted the Board to be aware of it. He also inquired concerning the desire of the Board to initiate a survey on "Workman's Compensation Coverage."

Commissioner Blackham and Commissioner Brown both expressed opinions that it is too early to begin a "Worker's Compensation Program" that such a survey would compound the problems with the Utah Local Governments Trust exit fees. Other Board members felt it would be better to wait until the year was over and specific savings could be demonstrated. Mr. Hurtado mentioned that by waiting, it would delay an implementation for at least another year. It was the decision of the Board not to send out the "Worker's Compensation Survey."

#### OTHER BUSINESS

Mr. Gardner informed the Board of Directors that Mr. Hurtado had requested assistance from Mr. Nelson to make an introduction with the School Boards Association. After discussing the subject thoroughly, the Board of Directors prefers that Mr. Nelson not make such an introduction.



Commissioner Hirschi requested that Rollins, Burdick Hunter investigate and report back to the Board regarding the attachment of an Endorsement to the Policy, *regarding surety bonds for elected officials.*

There being no further business to come before the meeting, it was adjourned.





# M E M O R A N D U M

To: UAC Insurance Mutual Board of Directors

From: Brent Gardner - Administrator

Date: July 23, 1992

Re: Notice of Board Meeting on July 29, 1992

The next Board meeting is scheduled for Wednesday, July 29, 1992 at 12:00 Noon in Logan, Utah.

I am assuming that the meeting will be held in the Cache County administrative offices located at 120 North 1200 West in Logan.

Sheriff Sid Groll is out of town until Monday the 27th. I will check with him then. If there are any changes to these arrangements, I'll fax them to you on Monday.

Unless you hear otherwise from me, you should plan on having lunch on your own prior to the meeting.

A copy of the agenda is attached along with other information that will be discussed.

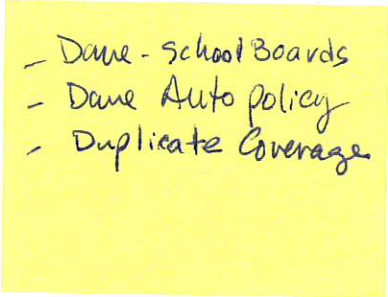


# UAC Insurance Mutual Board of Directors

Cache County Administrative Offices - 12:00 Noon  
120 North 100 West  
Logan, Utah

## A G E N D A

1. Call to Order
2. Minutes
3. Litigation Committee Report
4. Claims Report
5. Loss Prevention Report
6. Financial Report
7. Report From the Broker
8. Brokerage Agreement
9. Conflict of Interest Policy
10. Western States Association of County Insurance Entities
11. Other



- Done - school Boards  
- Done Auto policy  
- Duplicate Coverage

